

## Child Development Policy Advisory Committee

Item	Issue	Description	Staff Recommendation	BBL/TB	Compare to May Revision (000's)
4220-001-0001 CDPAC	Elimination of Child Development Policy Advisory Committee (CDPAC)	Governor's January budget proposes to eliminate the CDPAC for a GF savings of \$367,000 and 5.3 personnel years	Deny Governor's request; restore all positions and \$367,000 for CDPAC; with accompanying changes to reimbursements <b>(Approved 2-1)</b>	No	367

# California Department of Education - Child Development

Item	Issue	Description	Staff Recommendation	BBL/TB	Compare to May Revision (000's)
6110-001-0001 6110-001-0890 CDE State Operations	May Revision Finance Letter: Restore funding and positions to CDE's Child Development Division due to reversal of realignment proposal (issue 180)	May Revision proposes to restore \$2.7 million General Fund, \$6.3 million federal funds and 82.0 positions to fully restore the state operations of CDE's child	Approve May Revision <b>(Approved 3-0)</b>	BBL per May Revision request	
6110-196-0001 CDE	<i>May Revision Finance Letter:</i> <b>Reversal of Governor's Child Care Realignment Proposal</b> (Issue 150)	Conforms to prior Senate action which reversed the Governor's Child Care realignment proposal. Adding Child Care back into P-98 increases the minimum P-98 guarantee by \$879 million. Of this amount, the Administration restores \$807 million of funding to child care and appropriates the remainder to other K-14 spending priorities.	Approve May Revision. <b>Note -- entire child care "package" approved on vote of 3-0</b>	BBL	
		In order to continue providing child care services at the current-year level, the Administration and the Legislature need to bridge a \$384 million P-98 gap. To accomplish this, the Administration proposes a series of caseload savings, fund transfers, and reappropriations (totaling \$168m) plus programmatic reforms (totaling \$261m)			

# California Department of Education - Child Development

Item	Issue	Description	Staff Recommendation	BBL/TB	Compare to May Revision (000's)
		Staff notes that Senate and Assembly have developed a joint child care package which reflects a variety of changes to the Administration proposal. This joint proposal implements \$80 million in reforms and \$304 million in caseload adjustments, transfers, reappropriations and savings (as attached).			384,000
6110-169-0001 CDE	May Revision Finance Letter: <b>Child Care Policy Reforms</b>	May Revision proposes a series of policy and programmatic reforms which result in \$261 million in General Fund Savings.	Deny entire May Revision Proposal related to policy changes and instead adopt following: <b>(Approved 3-0)</b>		
		<i>Eliminate child care services to children over age 13 years</i>	<b>Conforming</b>		-10,000
		<i>Eliminate care to "grandfathered" families that earn about 75 percent of the State Median Income</i>	<b>Conforming</b>		-28,000
		<i>Reform and clarify split rate provisions of the Regional Market Rate; Clarify the role of premium care</i>	<b>Conforming</b>		-25,000
		<i>Reduce administrative and support services rate for Alternative Payment Providers by 1 percent</i>	<b>Conforming</b>		-12,000
		<i>One-time quality improvement initiative expansion reduction</i>	<b>Conforming</b>		-5,000

# California Department of Education - Child Development

Item	Issue	Description	Staff Recommendation	BBL/TB	Compare to May Revision (000's)
6110-196-0001 CDE	<i>May Revision Finance Letter:</i> Language, Emergency Regulations (Issue 170)	May Revision includes budget bill language requiring the CDE to promulgate emergency regulations to implement the changes to the Regional Market Rate (RMR)	Conform to legislative action on RMR reforms <b>(Approved 3-0)</b>		
6110-196-0001 6110-198-0890 CDE	<i>May Revision Finance Letter:</i> <b>Caseload Adjustments for Stages 2 and 3 CalWORKS Child Care</b>	May Revision proposes caseload adjustments increasing the amount of funding needed to accommodate child care for CalWORKS Stage 2 (\$48.3m) and Stage 3 families (\$-34.9m)	Adopt May Revision to increase funding for Stage 2 services and reduce funding for Stage 3 services; Make further Legislative revisions to caseload as follows: (1) \$20 million caseload reduction to Stage 2 and (2) \$30 million caseload reduction to Stage 3; for total reduction of \$85 million <b>(Conforming)</b>		-85,000

6110-196-0890 6110-494 CDE	<i>May Revision Finance Letter:</i> <b>Federal Funds; prior-year savings</b>	May Revision proposes to increase the amount of funding for child care available from federal funds and prior-year funds.	Adopt May Revise to add Item 6110-494 and increase funding available from federal funds and prior-years; further, increase the amount of federal funds available from the CCDF by \$50 million for a total of \$65 million <b>(Conforming)</b>		-65,000
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## California Department of Education - Child Development

Item	Issue	Description	Staff Recommendation	BBL/TB	Compare to May Revision (000's)
6110-196-0001 6110-196-0890 CDE	<i>May Revision Finance Letter:</i> <b>Increase amount of funding available from TANF</b>	May Revision proposes to shift \$101 million worth of Stage 2 child care expenditures from the General Fund to TANF	Adopt May Revise but increase amount of General Fund offset by \$36 million for a total of \$137 million <b>(Conforming to Sub 3 action)</b>		-137,000
6110-196-0001 CDE	<i>May Revision Finance Letter:</i> <b>Decrease funding for State Preschool Program</b>	May Revision proposes to decrease the amount of funding available for the State Preschool Program by \$4 million to reflect undersubscription to the program. Savings for this program would be available for other child care purposes.	Adopt May Revise but increase the amount of savings from \$4 million to \$10 million. <b>(Conforming)</b>		-10,000
6110-196-0001 CDE	<i>May Revision Finance Letter:</i> <b>Restore Reduction to After School Program</b>	Governor's January budget originally proposes to reduce funding for the After School Program by \$14.3 million due to the across-the-board reductions proposed for K-12 education; the May Revision restores all \$14.3 million, bringing the program back to it's base 2002-03 level.	Deny May Revise and appropriate \$7.3 million above the January proposal to After School Programs. Remaining \$7 million in savings are used to cover child care costs as part of the joint legislative package. <b>(Approved 2-1)</b>		-7,000

6110-196-0001 CDE	<i>May Revision Finance Letter:</i> Language State Agency Coordination of TANF data	May Revision includes budget bill language requiring CDE to coordinate with the Department of Social Services on TANF expenditure data	Approve May Revision <b>(Approved 3-0)</b>		
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## California Department of Education - Child Development

Item	Issue	Description	Staff Recommendation	BBL/TB	Compare to May Revision (000's)
6110-198-0890 CDE	<i>May Revision Finance Letter:</i> Technical Renumbering	Technical Issue renumbering the item	Approve May Revision <b>(Approved 3-0)</b>		



# University of California

Item	Issue	Description	Staff Recommendation	BBL/TB	Compare to May Revision
6440-001-0001 UC	Student Outreach Reductions	Governor's Budget reduced funding for student outreach at the UC by 50 percent (\$33.3 million)	Provide augmentation of \$5 million to support outreach programs at UC -- per attachment <b>(Approved 2-0)</b>		5,000
6440-001-0001 UC 6110-195-0890 CDE	California Subject Matter Projects (SMP)	Governor's Budget dismantles all of the SMPs except the Science SMP which is slated to receive \$10 million (\$5 million GF/ \$5 million Federal Funds). LAO proposes language which would allow the \$10 million to be spread amongst the SMPs	Approve LAO's proposed language, as altered to accommodate all SMPs, contingent upon legislation -- per attached with LAO changes <b>(Approved 3-0)</b>	BBL	0,000

# California State University

Item	Issue	Description	Staff Recommendation	BBL/TB	Compare to May Revision (000's)
6610-001-0001 CSU	Language related to the implementation and reporting of budget reductions	Supplemental Report Language would state the intent of the Legislature that CSU's primary mission of providing instruction by protected; further, language would require the CSU to report on a variety of elements related to faculty and student enrollment	Approve SRL provided by CSU and CFA ( <b>Approved 3-0</b> )	SRL	
6610-001-0001 CSU	Student Outreach Reductions	Governor's Budget reduced funding for CSU Student Outreach Programs by \$12.5 million General Fund (total funding for the programs is approximately \$90 million from all fund sources)	Provide augmentation of \$2.5 million to support outreach programs and adopt SRL as recommended by the LAO ( <b>Approved 2-0; Note please allocate funds to the Early Academic Assessment Program</b> )	SRL	2,500

## Student Aid Commission

Item	Issue	Description	Staff Recommendation	BBL/TB	Compare to May Revision (000's)
7980-101-0001 Student Aid, Grants	Unallocated reduction for Cal Grant Program	Consistent with language adopted as part of the Pension Obligation Bond negotiations, SB 28X stated the intent of the Legislature to reduce the overall funding level for Cal Grants by \$10 million; reduction NOT tied to maximum award level or number of	Unallocated reduction of \$10 million. <b>(Approved 2-0)</b>		-10,000
7980-101-0001 Student Aid, Grants	Reduces amount of maximum Cal Grant award for students attending private institutions	Governor's Budget reduces the maximum award level for students attending private institutions (savings of \$10.2 million). Staff notes that this proposal conflicts with the Pension Obligation Bond agreement	Deny Governor's Proposal, provide \$10.2 million augmentation <b>(Approved 2-0)</b>		10,200

Community Colleges					
Item	Issue	Description	Staff Recommendation	BBL/TB	Compare to May Revision (000's)
6870-001-0001	Community College Chancellor's Office -- State Operations	Governor's Budget reduced funding for the Chancellor's Office by 20 percent from the 2002-03 Budget Act; this reduction appears to be at the top end of the range of reductions being imposed on other state agencies (staff notes that the average reduction is approximately 15 percent.) Further staff notes that the Chancellor's Office will have increased reimbursements in the Budget Year that are not reflected in the May Revision due to a recent agreement with DGS to sublet vacant space in their headquarters building.	Approve 14 percent reduction in lieu of 20 percent and account for increased reimbursements of \$172,000. This results in an augmentation of \$485,000 for state operations. <b>(Approved 2-0)</b>		485
6110-295 CDE	<i>May Revision Finance Letter:</i> Payment of CCC mandate claims from K-12 mandate appropriation	May Revision proposes provisional language in the K-12 mandate claim item which prohibits the CCC's from being reimbursed for mandates from the K-12 appropriation. This proposal runs counter to language currently in the Budget Bill for Community Colleges	Approve May Revision, contingent upon agreement with DOF that mandate claim item will be established, and funded, for the community colleges when the deferral period for state mandates has expired <b>(Approved 2-1)</b>		

Community Colleges					
Item	Issue	Description	Staff Recommendation	BBL/TB	Compare to May Revision (000's)
6870-101-0001 CCC	<i>May Revision Finance Letter:</i> Categorical Program Augmentation and Adjustments (Issue 110)	May Revision provides an additional \$29.6 million of funding to augment and adjust various community college categorical programs	Deny May Revision and instead adopt recommended compromise budget (attached) <b>(Approved 3-0)</b>	TB (to be developed ) to shift \$200 million of apportionment	
6870-101-0001 CCC	<i>May Revision Finance Letter:</i> Restore Across-the-Board Apportionment Reductions and Growth Adjustments (Issue 111)	May Revision provides an additional \$71 million to restore the reductions proposed in January for apportionments and enrollment growth	Deny May Revision and instead adopt recommended compromise budget <b>(conforming)</b>	Conforming, with revised BBL for allocation of growth funds (per	
6870-101-0001 CCC	<i>May Revision Finance Letter:</i> Increase Student Fees (Issue 108)	May Revision proposes to increase student fees at the community colleges from \$11 per unit to \$18 per unit. General Fund item is increased by \$154.7 million from the Governor's January Budget (which proposed a fee level of \$24 per unit)	Approve May Revision <b>(Conforming)</b>	TB	
6870-101-0001 CCC	Combination of two scheduled programs	Combine two scheduled programs: (24) Scheduled Maintenance,/Special Repairs and (25) Instructional Equipment/Library Materials Replacement into a single schedule	Approve consolidation of Schedule 24 and 25 with accompanying provisional language, <b>with changes adopted in committee (Conforming)</b>	BBL	

Community Colleges					
Item	Issue	Description	Staff Recommendation	BBL/TB	Compare to May Revision (000's)
6870-101-0001 CCC	<i>May Revision Finance Letter:</i> Reduce Funding for Concurrent Enrollment (Issue 109)	May Revision proposes to reduce funding for community college concurrent enrollment by a total of \$25 million (which is a \$55 million decrease from the original \$80 million reduction that was proposed in January) and 6,500 FTES.	Adopt May Revision with compromise Budget Bill Language, <b>with changes adopted in committee (conforming)</b>	BBL	

Consent					
Item	Issue	Description	Staff Recommendation	BBL/TB	Compare to May Revision (000's)
6870-101-0001 CCC	<i>May Revision Finance Letter:</i> Increased Base Property Tax Estimate (Issue 100)	Reflects minor estimated increase in property tax base revenues	Approve May Revision <b>(Adopted 3-0)</b>		
6870-101-0001 CCC	<i>May Revision Finance Letter:</i> Reduced Excess Property Tax Estimate (Issue 103)	Increase apportionments item by \$27.3 million to reflect an increase in excess property tax revenues	Approve May Revision <b>(Adopted 3-0)</b>		
6870-101-0001 CCC	<i>May Revision Finance Letter:</i> Technical Base Adjustments (Issue 107)	Base adjustments to oil and mineral revenue income; student fee revenue; BOG Waivers; total decrease of \$5.3 million	Approve May Revision <b>(Adopted 3-0)</b>		
6870-101-0001 CCC	<i>May Revision Finance Letter:</i> Technical Shift of Apportionment Funding for CCC Nursing Programs (Issue 112)	May Revision moves \$4 million in funding for nursing programs from the Apportionments line item to the Economic Development line item	Approve May Revision <b>(Adopted 3-0)</b>		
6870-101-0001 CCC	<i>May Revision Finance Letter:</i> Technical Change to conform with Child Care Realignment	Makes a technical change that is necessary due to the withdrawal of the Governor's child care realignment proposal	Approve May Revision <b>(Adopted 3-0)</b>		
6870-490 CCC	New Reappropriation Item	Establish new item to reappropriate \$104,000 from the Fund for Instructional Improvement, at the request of the community colleges	Approve New Item (as attached) <b>(Adopted 3-0)</b>	BBL	
6110-495 CDE	<i>May Revision Finance Letter:</i> Reversion of prior-year child care savings (Issues 100 and 101), as revised by DOF	May Revision reverts a total of \$24.7 million in prior-year Proposition 98 savings from General Child Care and anticipated current-year savings from Cal WORKS Stage 3 child care	Approve May Revision <b>(Adopted 3-0)</b>		
6870-495 CCC	May Revision Finance Letter: Community College Reversions	May Revision reverts \$2.1 million of prior-year unexpended funds from the CalWORKS child care item and the Apprenticeships program	Approve May Revision <b>(Adopted 3-0)</b>		

6870-301-6028 CCC	May Revision Finance Letter	Capital Outlay project, State Center Community college District, Fresno City College -- Railroad Underpass Project	Approve May Revision (Adopted 3- 0)		
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**LAO-Recommended Budget Bill Language for California Subject Matter Projects**

6440-001-0001 – University of California

Schedule (7) California Subject Matter Projects . . . . . \$5,000,000

Provision X. The funds appropriated in Schedule (7) are for support of six existing core Subject Matter Projects (SMP). These funds may also be used to support the foreign language, arts, and physical education SMPs if state support is authorized in legislation passed in the 2003 Regular Session and federal supplanting laws are not violated. The amount appropriated by this schedule reflects a \$15 million reduction in state General Fund for these projects. The reduction is due to an overall decline in state revenues, a reduction in total General Fund monies for the university, the priority of the state to protect core academic services at the university, and the need to achieve savings in other areas of the university, such as K-12 professional development. If the federal government provides written notification that these funds may not be used for these projects, then the Department of Finance may instead use the funding only for the Science SMP after notifying the Joint Legislative Budget Committee through the Section 28.00 process.

## LAO-Recommended Budget Bill Language for California Subject Matter Projects

6110-195-0890 – Department of Education, Title II, Part A

Schedule (3) California Subject Matter Projects . . . . . \$4,350,000

Provision X. The funds appropriated in Schedule (3) shall be for transfer to the University of California, which shall use the funds for six existing core Subject Matter Projects (SMP). These funds may also be used to support the foreign language, arts, and physical education SMPs . By supporting these projects, it is the intent of the Legislature to preserve the university's basic program infrastructure and help the state comply with the "high-quality professional development" requirements of the *No Child Left Behind Act of 2001*. In the absence of this federal funding, the state would have eliminated all state funding for all existing projects, except the Science Project. If the federal government provides written notification that these funds may not be used for these four projects, then the Department of Finance may instead use the funding only for the Science SMP after notifying the Joint Legislative Budget Committee through the Section 28.00 process.

## **MERGING OF TWO SCHEDULED ITEMS**

### **6870-101-0001, Local Assistance, California Community Colleges**

Combine Schedules (24) and (25) into a single schedule entitled “Scheduled Maintenance, Special Repairs, Instructional Equipment and Library Materials Replacement” and replace provisions 25 and 26 with the following:

The funds appropriated in Schedule (24) of this item are available for the purposes of scheduled maintenance and special repairs of facilities, replacement of instructional equipment, and replacement of library materials. The Chancellor shall allocate funds to districts on the basis of actual reported full-time equivalent students (FTES), *and may establish a minimum allocation per district.* As a condition of receiving and expending these funds for maintenance or special repairs, a district shall certify that it will increase its operations and maintenance spending from the 1995-96 fiscal year by the amount it allocates from this appropriation for maintenance and special repairs plus an equal amount to be provided from district discretionary funds. The Chancellor may waive all or a portion of the matching requirement based upon a review of a district’s financial condition. The question of whether a district has complied with its resolution shall be reviewed under the annual audit of that district. For every three dollars a district expends from this appropriation for replacement of instructional equipment of library materials, the recipient district shall provide one dollar in matching funds. The funds provided for instructional equipment and library materials shall not be used for personal services costs or operating expenses.

## **CONCURRENT ENROLLMENT**

### **6870-101-0001, Local Assistance, California Community Colleges**

Strike Provision 2 (c) (as proposed in the May Revision Finance Letter) and insert the following:

The amount appropriated in this item reflects a reduction of \$25 million and approximately 6,500 full-time equivalent students (FTES) based on a policy that revises allowable parameters for the claiming of state funding for concurrent enrollment. The Chancellor shall allocate this reduction on a basis proportionate to the level of FTES reported by districts for concurrent enrollment in physical education, recreation, study skills, and personal development courses. However, nothing in this provision shall prohibit those districts from receiving growth allocations, as warranted, to the extent that designated funds are available. *No district shall receive a funding reduction that exceeds 10 percent of the statewide total reduction made pursuant to this paragraph.* Further, the Chancellor may limit the amount of reduction for a district if, in the judgement of the Chancellor, the district's financial integrity otherwise would be jeopardized.

*Note to DOF – if this provision is too long, feel free to break it up, as needed.*